VZCZCXRO2153 OO RUEHBI RUEHCI RUEHDBU RUEHLH RUEHPW DE RUEHNE #2268/01 1310859 ZNY CCCCC ZZH O 110859Z MAY 07 FM AMEMBASSY NEW DELHI TO RUEHC/SECSTATE WASHDC IMMEDIATE 5572 INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE RUEHBJ/AMEMBASSY BEIJING 6154 RUEHLO/AMEMBASSY LONDON 3606 RUEHMO/AMEMBASSY MOSCOW 2087 RUEHFR/AMEMBASSY PARIS 1155 RUEHKO/AMEMBASSY TOKYO 4990 RUEKJCS/SECDEF WASHDC RUEAIIA/CIA WASHDC RHEHNSC/NSC WASHDC RUEIDN/DNI WASHINGTON DC RHHMUNA/CDR USPACOM HONOLULU HI RUCNDT/USMISSION USUN NEW YORK 4659 RHMFISS/HQ USCENTCOM MACDILL AFB FL RUEHGV/USMISSION GENEVA 6917 RHHMUNA/HQ USPACOM HONOLULU HI RHMFISS/HQ USSOCOM MACDILL AFB FL RUEKJCS/JOINT STAFF WASHDC

C O N F I D E N T I A L SECTION 01 OF 02 NEW DELHI 002268

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DEVASTATES BJP AND CONGRESS

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Classified By: Charge d'Affaires Geoffrey Pyatt for reasons 1.4 (B,D)

Upsetting the Apple Cart

11. (C) Mayawati's decisive victory in the just-concluded Uttar Pradesh (UP) elections will reverberate throughout India and has serious implications for the UPA government in New Delhi and for India/US relations. Projections now place her Bahujan Samaj Party (BSP) party just a hair's breath away from forming the UP government without relying on any other party, while the Samajwadi Party (SP) has been severely damaged. The implications for the two national parties the BJP and Congress -- have been particularly devastating.

Possible Consequences for Congress

12. (C) An insider told Poloff that the party has been totally demoralized by the UP outcome. It demonstrated that Congress was unable to attract the key constituencies of Brahmins, Dalits, and Muslims that it needs to ensure stability and continued electoral success in India's UP heartland. Instead, all three have gone to the BSP in droves. We can now expect Mayawati to take her winning combination into other states, where she will try to undercut Congress by tapping into lower caste resentment over unequal economic growth. The Congress leadership is purportedly meeting behind closed doors to discuss how to respond. One proposal would reorganize the All India Congress Committee, after apportioning blame for the defeat. Congress projected Rahul Gandhi as the "savior" of UP and his failure to deliver victory is a stunning setback and embarrassment for the Gandhi family. Party loyalists remain reluctant to criticize Rahul Gandhi, whose "road shows" had no apparent impact on the election, but we can expect a storm of media criticism in the weeks ahead. We expect party President Sonia Gandhi to act quickly to save her son's chances for political advancement. To do so, she must ensure a period of "healing," by steering Congress towards a more cautious

stance and getting Rahul out of the limelight. To avoid further controversy, the party may ratchet down its support for economic reform and other pro-US positions.

Possible Consequences for the BJP

13. (C) The BJP apparently scored one of its worst performances ever in UP, likely losing more than half of its existing seats in the Assembly. In the days leading up to the election, the BJP leadership in UP was very worried about the BSP strategy of forming a Dalit/Brahmin combination. BJP had always counted on the support of the Brahmins and upper castes and was well aware that if the Brahmins departed, it would undercut the party's chances. As the campaign progressed and it became apparent that growing numbers of UP Brahmins were switching from the BJP to the BSP, an increasingly desperate party leadership toyed with a number of ideas on how to stem the defections. At the urging of the hard-line RSS/Hindutva elements, they decided to release a blatantly anti-Muslim DVD in hopes that "Hinduism under attack" would convince the Brahmins to stay. This strategy backfired, failing to keep the Brahmins inside the BJP fold and exposing the party to attack and ridicule in the media. Now on the defensive after the party's severe drubbing in UP, the BJP could become more divided than ever, as the Hindutva wing becomes more defensive and the moderates more despondent. Talk of pro-BJP momentum after earlier state level electoral victories is now likely to be forgotten, exacerbating the BJP's crisis of leadership and confusion over who will head the party's next generation.

NEW DELHI 00002268 002 OF 002

Possible Consequences for the Left

¶4. (C) Congress' poor showing has increased speculation that an emboldened Left will increase its demands in exchange for propping up the UPA government. There are growing rumors that the Left and some within Congress will blame the pro-American, pro-Capitalist camp for the poor showing, and the Left could press for a Cabinet reshuffle to replace "pro-American" Cabinet Ministers with those more amenable to the Left. Particularly vulnerable in this regard is Finance Minister Chidambaram, who pro-taxation policies have made many enemies. The Communists are also said to be pressing hard for Lok Sabha Speaker Somnath Chatterjee to be the UPA's candidate to replace Abdul Kalam as President. So far, the Communists seem to have targeted individual Cabinet Ministers rather than going after the Prime Minister.

Possible Consequences for the Samajwadi Party

- 15. (C) This election was a life or death struggle for Mulayam Singh Yadav, as Mayawati has pledged to destroy him if she formed the government. We are hearing that a panicked Yadav is appealing to his Communist friends to keep him and his close associates out of jail and save his party from irrelevance. The Left parties (most particularly the CPI-M) must now decide how far they are willing to go to save Mulayam. If they allow Mulayam to be destroyed, it would eliminate a key component of a future "third front" government and buy Manmohan Singh some political breathing room. In this regard, Mulayam purportedly hopes that Left pressure will convince Congress to restrain Mayawati's instincts for revenge.
- 16. (U) Visit New Delhi's Classified Website:
 (http://www.state.sgov.gov/p/sa/newdelhi/)
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